

COST VARIANCE ANALYSIS: (-\$.3M)

WBS/PBS

Title

1.01.02/TW02 Tank Safety Issue Resolution

Description and Cause: The unfavorable cost variance is due to work being performed in accordance with newly authorized work on defining waste behavior, establishment of controls, and the design, fabrication, and installation of equipment for tank 241-SY-101 Surface Level Rise USQ, and for the Final Safety Analysis Report (FSAR) implementation without the associated baseline update.

Impact: The cost variance will continue to increase until the change requests are approved and implemented into the FY 1999 baseline.

Corrective Action: BCRs are in process. Advance Work Authorizations #1 and #4 provided authorization to initiate \$12.1M (\$7M and \$5.1M, respectively) in additional work scope for the SY-101 Surface Level Rise USQ. Once the changes are implemented and reflect the current baseline, the cost variance will be corrected and within the threshold.

1.01.04/TW04 Retrieval Project

Description and Cause: The unfavorable cost variance is due to resources being expended for equipment repairs/modifications to develop a volatile organic compound (VOC) abatement concept and make repairs to the jumper in support of 241-C-106 sluicing. Also, costs for prior year equipment procurements for W-211, “241-AN-105 Retrieval System,” were posted as the equipment was delivered; however, the performance was reported in FY 1998 as fabrication on the equipment progressed.

Impacts: Costs for general equipment repairs for 241-C-106 were consumed earlier than planned; however, no overrun is projected. The Project W-211 cost variance is unrecoverable and will remain at fiscal year end.

Corrective Action: Continue with 241-C-106 sluicing. No corrective action is required for Project W-211 as the project-to-date cost performance is within the variance threshold.

1.01.08/TW08 Privatization Infrastructure

Description and Cause: The favorable cost variance is due to efficiencies in Waste Management, Infrastructure, Feed Tank Turnover, Program Management, and Project W-519, "Privatization Phase I Infrastructure." Work efforts are requiring less resources than originally planned. In addition, accrual reversals and late billings on contracts are contributing to the underrun.

Impact: No impacts.

Corrective Action: Approximately \$550K will be removed from the Feed Tank Turnover budget upon approval of the BCR, and \$280K has been planned in outyears for Project W-519. Approximately \$200K will be made available for other TWRS priority work.

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1.01.09/TW09

Immobilized Tank Waste

Description and Cause: The favorable cost variance is due to project costs, geotechnical data packages, and coordination support being less than anticipated due to rescoping of tasks and cost efficient use of personnel; and reverse accruals for FY 1998 project closeout. The positive cost variance is partially offset by a negative cost variance due to ILAW/IHLW AGAs requiring more analysis and evaluation than planned.

Impact: No impacts.

Corrective Action: Additional AGA expenses will be covered with funds previously designated for Project W-465, "Immobilized HLW Interim Storage Facility" revalidation and savings realized through cost effective management of other activities. Costs to close out FY 1998 contracts should eliminate the accrual credit.

1.01.10/TW10

TWRS Management Support

Description and Cause: The favorable cost variance is due to a positive passback credit of \$3.4M for approved reductions in site indirect pools, FY 1998 award fee reversal and fee pool reductions of \$3.1M, ~\$1.5M credits for prior year contracts, subcontracts not placed or redirected to higher priority work, and labor efficiencies in work management activities.

Impact: No impacts.

Corrective Action: The \$3.4M positive passback credit will be used to fund other TWRS work scope. In addition, \$2.7M will be used to offset continuity of service increases, ~\$0.4M will be used to fund the fruit fly assessment, and ~\$1.5M will be applied to other priority TWRS work.